

SECRET SECURITY INFORMATION

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FROM: Rome

TO: Secretary of State

NO: 706, September 7, 1955

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FOR SECRETARY.

BEST CY.

In talk last night Scola-Camerini, Pella's Chef de Cabinet in Foreign Office, told me of Pella's reaction to Tito speech which leads me to believe that Italy will welcome solution to Trieste problem outlined in my Embassy telegram 790.

He said establishment of Yugoslavian-Italian "equality" of Italian jurisdiction of Zone A on same de facto terms in which Tito lays claim to Zone B would:

- (A) Satisfy Italian public opinion on Trieste question;
- (B) Consolidate and strengthen Pella Government;
- (C) Open way to Tito-Pella conference table negotiations concerning remainder claims;
- (D) Permit Pella to pursue NATO policies in new Parliament.

I believe we might secure firm commitments on EDC and facilities in this atmosphere.

Upon questioning he said he believed that Pella would:

- (A) Effect entry into Zone A with decorum and military restraint avoiding inflammable demonstrations, reprisals on frontier incidents;
- (B) Withdraw present troops if assurance could be given of immediate acceptance of this plan.

Upon questioning he said he believed that Italy would accept withdrawal of any further commitments on our part concerning Zone B immediately after Zone A operation effected.

He said political problem would be complicated again for Pella if Zone A as final solution rescinding tripartite declaration were publicly announced before entrance and Pella were obliged publicly to accept it as such. It would in short take the public

SECRET SECURITY INFORMATION

-2- 796, September 7, 1 p.m. from Rome.

cream off Italy's slice of the pie. He said government official reaction was that excessive claims Tito's speech were largely for domestic consumption and that there were indications that Tito was ready for de facto solution, that time was ripe, and that occasion for solution would not come again in so favorable a form.

Upon questioning as to Pella's probable course of action if UK, French, American agreement could not be secured rapidly to effect above solution, he said that French would certainly agree but seemed worried about British. But he said that if such agreement could not be secured, following things might happen:

(A) If Italian troop dispositions remained same, tension would continue.

(B) If Italian troops were withdrawn as a result of Tito's speech about Italy's "wooden sword," without assurances of a rapid solution, both domestic and Yugoslavia critics could claim "Pella's bluff has been called" and his political position would become intolerable;

(C) That Pella would probably then either resign at once or be defeated on vote of confidence September 22, with following results (see Embassy telegram 792):

1. Rapid deterioration of American-Italian relations;
2. Discrediting of De Gasperi-Pella America policy (indicating probably loss of facilities and retirement from NATO);
3. Steady rise of Nenni-Neutralist position and growth of extremist right political attitudes between which CD's must either founder or split.

He said Pella, Taviani and Marras meeting Tuesday night to discuss question of troop dispositions which now present most immediate embarrassment in absence of American support for above solution. He indicated British eager for withdrawal of Italian troops and suggested Pella concerned that British may be unwilling to "equalize" (which is key word in Italy Trieste situation now) repeat "equalize" Italian-Yugoslavian position because of interest in Nenni Neutralist Socialism (see Embassy telegram 792).

He said Pella wished to see me Tuesday night or Wednesday morning and would probably lay these ideas before me at this time. He concluded expressing hope that if above thinking was indeed Pella's I would thereafter return Washington immediately lay ideas before

you and

SECRET SECURITY INFORMATION

-3- 76, September 7, 1 p.m. from Rome.

you and President and that such an action would make time intervening between Pella's announced talk on situation next Sunday easier vis-a-vis Italian public opinion.

Department inform other posts if considered advisable.

LUCF

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